



Arnold Schwarzenegger  
Governor

July 27, 2010  
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Ms. Cynthia D. Banks, Director  
County of Los Angeles  
Department of Community and Senior Services  
3175 West Sixth Street, Suite 300  
Los Angeles, CA 90020

Dear Ms. Banks:

WORKFORCE INVESTMENT ACT  
85-PERCENT PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the County of Los Angeles Department of Community and Senior Services' (LADCSS) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Mr. David Hinojosa and Mr. David Jansson from January 12, 2009 through January 16, 2009 and from January 26, 2009 through January 30, 2009. The exit conference was conducted on February 27, 2009.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by LADCSS with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with LADCSS representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of sampled case files, LADCSS' response to Sections I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on November 3, 2009, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed findings 1 and 2 cited in the draft report, no further action is required and we consider the issues resolved. Because your response adequately addressed findings 3, 5, and 7 cited in the draft report, no further action is required at this time. However, these issues will remain open until we verify your implementation of your stated corrective action plan during a future on-site review or you provide needed documentation. Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 90015, 90017, and 90019. Because your response did not adequately address findings 4 and 6 cited in the draft report we consider these findings unresolved. We request that LADCSS provide the Compliance Review Office (CRO) with additional information to resolve the issues that led to the findings. Therefore, these findings remain open and have been assigned CATS numbers 90016 and 90018.

### **BACKGROUND**

The LADCSS was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, LADCSS was allocated: \$10,259,038 to serve 1,827 adult participants; \$10,580,984 to serve 2,785 youth participants; and \$8,535,259 to serve 1,230 dislocated worker participants.

For the quarter ending December 31, 2008, LADCSS reported the following expenditures for its WIA programs: \$3,068,497 for adult participants; \$2,635,832 for youth participants; and \$2,317,263 for dislocated worker participants. In addition, LADCSS reported the following enrollments: 676 adult participants; 1,123 youth participants; and 556 dislocated worker participants. We reviewed case files for 100 of the 1,123 participants enrolled in the WIA youth program as of December 19, 2008.

### **PROGRAM REVIEW RESULTS**

While we concluded that, overall, LADCSS is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: workforce investment board (WIB) composition, youth council membership, 90 day gap in services, program grievance and complaint, eligibility, selective service, and providing services prior to eligibility determination. The findings that we identified in these areas, our recommendations, and LADCSS' proposed resolution of the findings are specified below.

### **FINDING 1**

**Requirement:** WIA Section 117(b)(2)(A)(iii) states, in part, that WIB board composition shall include members of labor organizations,

nominated by local labor federations, or other representatives of employees.

Senate Bill (SB) 293 states, in part, that at least 15 percent of local board members shall be representatives of labor organizations unless the local labor federation fails to nominate enough members. If this occurs, then at least 10 percent of the local board members shall be representatives of labor organizations.

Workforce Investment Act Directive (WIAD) 06-21 states, in part, if and when a Local Board does not meet the 15 percent requirement, the local Chief Elected Official (CEO) should re-solicit nominations until the 15 percent requirement is met. The CEO should document the good faith efforts made to meet this requirement (e.g., copies of letters of outreach to local labor federations and copies of their written responses).

**Observation:**

We observed that LADCSS' WIB composition does not meet the required fifteen percent labor representation. The LADCSS' efforts to increase labor representation resulted in three additional labor representatives, making a total of four labor representatives. Labor representatives now make up approximately 10 percent of the WIB.

We requested that LADCSS provide documentation of its efforts to meet the 15 percent labor representative requirement. The latest documentation provided to CRO between the WIB and local labor federations regarding nominations was a letter, sent on May 6, 2008, to Mr. Tim Rainey, Director, Workforce and Economic Development Program, California Labor Federation-AFL-CIO asking for referrals (nominations) to fill the required labor union seats. The LADCSS has provided no recent documentation of efforts to obtain nominations from the labor federation nor documentation showing a response to the letter referenced above.

**Recommendation:**

We recommended that LADCSS provide CRO with a corrective action plan (CAP), including a timeline, to obtain a 15 percent labor representation as required by SB 293. Additionally, we recommended that LADCSS provide documentation to CRO showing what efforts have been made to re-solicit nominations with the labor federation to meet the 15 percent requirement since May 6, 2008, including any nominations made by the labor federation. Finally, we recommended that LADCSS provide CRO

with documentation demonstrating when those labor appointments are completed.

**LADCSS Response:** The LADCSS provided a WIB roster reflecting the appointment of five union members and documentation demonstrating that Gerry Vaughn, of Service Employees International Union (SEIU) Local 721, was approved by the Los Angeles County Board of Supervisors on October 20, 2009. An additional union member, Aida Cardenas of SEIU Local 1877, was nominated and approved by the WIB on September 17, 2009. The LADCSS now has 12 percent labor representation. The LADCSS also provided copies of e-mails showing recent efforts to solicit additional labor nominations.

**State Conclusion:** We consider this finding resolved.

## **FINDING 2**

**Requirement:** WIA Section 117(h)(2)(A) states, in part, that membership of each youth council shall include members of the local board described in subparagraph (A) or (B) of subsection (b) (2) with special interest or expertise in youth policy. In addition, the youth council shall include a representative of a parent of an eligible youth.

WIA Section 117(b)2 states, in part, that membership of each local board shall include representatives of local educational entities, including representatives of local educational agencies, local school boards, entities providing adult education and literacy activities, and postsecondary education institutions (including representatives of community colleges, where such entities exist.

SB 293 states, in part, that it is the intent of the Legislature that when appointing members to the youth council, the local workforce investment board and the local chief elected official appoint representatives of local educational agencies serving youth.

**Observation:** We observed that LADCSS Youth Council does not have a youth council member who is a parent of an eligible youth seeking assistance. The LADCSS states this seat has been vacant since November 2007. The LADCSS stated they have requested the WorkSource Centers and youth agencies to identify someone to fill this seat and will continue to follow-up with them until they receive a suitable nominee.

We also observed that LADCSS lacks a youth council member who is a representative of a local educational agency serving youth. The LADCSS stated this position has been vacant since June 2008.

**Recommendation:** We recommended that LADCSS provide CRO with a CAP describing the steps and timeline to recruit a parent of an eligible youth seeking WIA assistance and a representative of a local educational agency serving youth. Additionally, we recommended that LADCSS provide CRO with documentation demonstrating these appointments have been made.

**LADCSS Response:** The LADCSS provided documentation on June 24, 2010 demonstrating that the WIB approved the appointment of a representative of a parent of an eligible youth on the Youth Council. In addition, the LADCSS provided documentation that the vacancy of a representative of a local educational agency serving youth was filled July 14, 2009 with the appointment of Dr. Patricia Ramos of the Santa Monica Community College District.

**State Conclusion:** We consider this finding resolved.

### FINDING 3

**Requirement:** WIA Section 185(c)(2) states, in part, that each local board and each recipient receiving funds shall maintain comparable management information systems, designed to facilitate the uniform compilation and analysis of programmatic, participant and financial data necessary for monitoring and evaluating purposes.

In addition, WIA Section 185(d)(1)(B) states, in part, that information to be included in reports shall include information regarding the programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities.

Training and Employment Guidance Letter (TEGL) 17-05 Section (6)(B)(1) states, in part, that the term program exit means a participant has not received a service funded by the program or funded by a partner program for 90 consecutive calendar days, and is not scheduled for future services.

Additionally, TEGL 17-05 Section (6)(B)(3) states, in part, that once a participant has not received any services funded by the program or partner program for 90 consecutive calendar days, the date of exit is applied retroactively to the last day on which the individual received a service funded by the program or a partner program.

**Observation:**

We found that four youth participant case files contained more than 90 days of inactivity. Specifically, one participant for Communities in School (CIS) and three participants for Los Angeles (LA) Works, had gaps in service ranging from 153 to 387 days. One participant for LA Works was already exited when the gap in services was found. Subsequent to the review, LADCSS provided documentation that LA Works had exited two more participants from the program as a result of our review.

We found similar issues in PY 2006-07 and PY 2007-08.

**Recommendation:**

We recommended that LADCSS demonstrate that services are being provided to the participant that has not been exited or exit the participant from WIA and provide CRO with documentation of the action taken. In addition, we recommended that LADCSS provide to CRO a CAP to ensure that, in the future, there are no 90 day gaps in service.

**LADCSS Response:** The LADCSS provided two CAPs it received from its subrecipients, CIS and LA Works. The CIS' CAP states that the case manager will generate a monthly report identifying the last day of activity. Furthermore, CIS states they will also develop a checklist to document dates of participant activities to ensure all participants are exited within 90 days of last activity. Finally, CIS stated that the participant (last day of activity August 19, 2008) was exited on paper on June 28, 2009, but not in the job training and automation (JTA) system due to an oversight by their staff and provided documentation of the correction in the system.

The LA Works CAP states they have re-trained its case managers on the importance of ongoing contacts with participants and now runs a monthly report for case managers to ensure there is no inactivity.

Additionally, LADCSS provided documentation of Directive WIA ADM D-10-01, issued on January 11, 2010 to contractors on the steps to take to monitor activity in the JTA system and ensure there are no 90 day gaps in service. The LADCSS states that a

monthly production report identifying all cases that have between 60-90 days or over 90 days of inactivity, and have not been exited, will be produced and shared with LADCSS management staff for follow-up meetings by January 2010. In addition, LADCSS provided documentation of a contractor meeting on January 13, 2010 where the 90 day gap issue was discussed.

**State Conclusion:** The stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future on-site visit, LADCSS' successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90215.

#### **FINDING 4**

**Requirement:** WIA Section 181(c)(1) states, in part, that each State and local area receiving an allotment under this title shall establish and maintain a procedure for grievances or complaints alleging violations of the requirements of this title from participants and other interested or affected parties. Such procedure shall include an opportunity for a hearing and be completed within 60 days after the filing of the grievance or complaint.

20 CFR Section 667.600(b)(2) requires that every entity receiving WIA Title I funds must provide information about the content of grievance and complaint procedures to participants receiving WIA funded services.

Workforce Services Directive (WSD) 08-04 states, in part, that initial and continuing notice of the local grievance and complaint procedures and instructions on how to file a complaint must be posted in a public location and be made available to any interested parties and members of the public. Initial and continuing notice of the local grievance and complaint procedures include:

- Notification that the participant has the right to file a grievance or complaint at any time within one year of the alleged violation
- Instructions and timeline for filing a grievance or complaint, and
- Notification that the participant has the right to receive technical assistance.

**Observation:** We observed that the publicly posted grievance and complaint information at two youth providers, HUB Cities and LA Works, did not contain the information noted above. The posters briefly state it is their intent to ensure fair and equitable treatment of all individuals accessing services; that they abide by the County of Los Angeles' procedures, and that a copy of the grievance and complaint procedures may be obtained from the receptionist.

**Recommendation:** We recommended that LADCSS provide CRO with a CAP that will ensure that the required grievance and complaint information noted above is publicly posted with all of their youth providers. We also recommended that LADCSS provide CRO with a copy of the corrected grievance and complaint information that will be posted in the public area of the two places identified above.

**LADCSS Response:** The LADCSS stated that they enclosed a copy of LA Work's CAP dated October 23, 2009 on "WIA Complaint and Resolution" policies that was updated and posted. In addition, LADCSS provided a CAP from Hub Cities dated October 29, 2009 stating that they have developed and publicly posted a new "Complaint Policy and Resolution Procedure". In its letter dated December 2, 2009, LADCSS states it provided subrecipients a training schedule for grievance and complaint information. The LADCSS issued a grievance and complaint procedures directive, WIAADM D-10-04, on March 23, 2010.

**State Conclusion:** Based on LADCSS response, we cannot resolve this issue at this time. Although LADCSS stated that they enclosed a copy of LA Work's CAP, we did not receive that information. Additionally, LADCSS did not provide a CAP to ensure that Hub Cities, LA Works, and the youth providers have publicly posted adequate grievance and complaint information. Further, the grievance and complaint documents provided by Hub Cities did not include the fact that complainants can receive technical assistance.

We again recommend that LADCSS provide CRO documentation showing that the required grievance and complaint information is publicly posted at Hub Cities and LA Works and provide CRO with a CAP that will ensure that the required grievance and complaint information, noted above, is publicly posted in all of their youth provider locations. Until then, this issue remains open and has been assigned CATS number 90216.

**FINDING 5**

**Requirement:**

WIA Section 101(34) states, in part, that a participant means an individual who has been determined to be eligible to participate in and who is receiving services under a program authorized by this title.

20 CFR Section 663.105 states, in part, that registration is the process for collecting information to support a determination of eligibility. This information may be collected through methods that include electronic data transfer, personal interview, or an individual's application.

20 CFR 664.200 states, in part, that an eligible youth is an individual who is age 14 through 21, is a low income individual, and is within one or more of the following categories: deficient in basic literacy skills; school dropout; homeless, runaway, or foster child; pregnant or parenting; offender; or is an individual (including a youth with a disability) who requires additional assistance to complete an educational program, or to secure and hold employment.

WIAD 04-18 states, in part, that Local Workforce Investment Areas shall review the WIA Eligibility Technical Assistance Guide (TAG) carefully and review their WIA eligibility policies, procedures, interpretations, guidance, and definitions to assure that they comply with the requirements of the TAG.

WIA Eligibility TAG states, in part, that one-stop operators and applicants must make reasonable efforts to document eligibility for WIA-funded programs. However, the use of applicant statements is allowable to document those items that are not verifiable or are not readily available. The applicant's difficulty in obtaining documentation does not need to entail privation or suffering (undue hardship) to justify using an applicant statement.

**Observation:**

We observed that the applicant statement was used to document eligibility information in six case files. Specifically, Catholic Charities used applicant statements for 2 of 10 case files reviewed and LA Works used applicant statements for 4 of 15 case files reviewed. However, none of these case files contained documentation of attempts made to document eligibility before using the applicant statement. Specifically, the applicant statements were used to verify income and family size. During the review, LA Works stated that they make attempts prior to

accepting the applicant statement, but that they do not document this in the case file.

Subsequent to the review, LA Works provided updated case notes and an applicant statement to reflect that they had made attempts prior to accepting the applicant statement. In addition, Catholic Charities subsequently provided documentation of reasonable attempts made to obtain eligibility information for the two case files.

We found a similar issue in PY 2006-07.

**Recommendation:** We recommended that LADCSS provide CRO with a CAP stating how it will ensure that its subrecipients make the necessary efforts to obtain eligibility documentation and, when the documents are not verifiable or readily available, document what reasonable efforts were made on those occasions that the applicant statement is used.

**LADCSS Response:** The LADCSS issued a directive, WIAD 09-22, on December 17, 2009, about use of applicant statements. In addition, LADCSS provided documentation of training, that included applicant statements, to contractors at a quarterly meeting on April 1, 2010. Also, LADCSS provided a copy of the CAP submitted by LA Works, including a revised applicant statement form to improve documentation of when the applicant statement is used. Additionally, LADCSS provided a copy of the CAP from Catholic Charities which states that they will document efforts to secure documentation and explain use of applicant statements in the future.

**State Conclusion:** The stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future on-site visit, LADCSS' successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90217.

## **FINDING 6**

**Requirement:** WIA Section 189(h) requires that participants must not have violated Section 3 of the Military Selective Service Act, which requires that every male citizen and every other male residing in the United States must register with the Selective Service System (SSS) between their 18<sup>th</sup> and 26<sup>th</sup> birth dates.

WIAD04-18 states, in part, that all males who are at least 18 years of age and born after December 31, 1959, and who are not in the armed services on activity duty, must be registered for Selective Service. A youth who becomes 18 years of age while participating in a WIA program must register within 30 days of his 18<sup>th</sup> birthday.

**Observation:**

We observed that three LADCSS subrecipients are not ensuring that participants are registering for Selective Service when they turn 18 after enrollment. Specifically, there were six participant case files reviewed where participants turned 18 and did not register for Selective Service within 30 days after their 18<sup>th</sup> birthday. The LADCSS and subrecipients have since provided verification that all participants are currently registered. Four participants were registered prior to the exit conference and subsequently, two were registered in March and April 2009.

We found a similar issue in PY 2006-07.

**Recommendation:** We recommended that LADCSS ensure that a comprehensive review of all participant case files for Catholic Charities, HUB Cities, and LA Works that have active male participants who turned 18 after enrollment is conducted and ensure the participants meet the registration requirements for Selective Service.

In addition, we recommended that LADCSS provide CRO with a CAP, including a timeline, to ensure that all subrecipients have a system in place to ensure that all male participants enrolled before they turn 18 meet the registration requirements for selective service once they are eligible to register.

**LADCSS Response:** The LADCSS issued Selective Service Registration directive, WIAD 09-23, on December 30, 2009. In addition, LADCSS provided documentation of training, that included Selective Service Registration, to contractors at a quarterly meeting on April 1, 2010. The LADCSS also provided a CAP, submitted by LA Works, that included a Selective Service registration policy and documentation demonstrating that a review of all LA Works youth files was completed for those youth enrolled between the ages of 16 and 17, and turned 18 while in the WIA youth program. The LADCSS also provided a CAP from Hub Cities that states they are reviewing all youth files for those youth who were enrolled at the age of 16 and 17, and turned 18 while enrolled in the youth program, to ensure they were registered for Selective

Service. The LADCSS states that they are working with Catholic Charities regarding Selective Service requirements as its agency-specific CAP to this finding was not totally responsive.

**State Conclusion:** The stated corrective action is not sufficient to resolve this issue. We recommend that LADCSS ensure that a comprehensive review of all youth case files for Catholic Charities and HUB Cities, that have active male participants who turned 18 after enrollment, is conducted and ensure that participants are registered with Selective Service. We recommend that LADCSS provide documentation to CRO demonstrating that these reviews have been completed. Once this is completed, we will verify during a future on-site visit LADCSS' successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90218.

#### **FINDING 7**

**Requirement:** WIA Section 129(c)(1)(A-B) states, in part, that eligible youth are to be provided an objective assessment. Additionally, a service strategy will be developed for each youth participant that takes into account the assessment.

20 CFR 664.215(a) states, in part, that all youth participants must be registered, and that registration is the process of collecting information to support a determination of eligibility.

20 CFR 664.405(a)(2) states, in part, that each local youth program must develop an individual service strategy for each youth participant that meets the requirements of WIA section 129(c)(1)(B), including identifying an age-appropriate career goal and consideration of the assessment results for each youth.

**Observation:** We found that in 2 of 100 youth participant's case files reviewed, the development of an Individual Service Strategy (ISS) began prior to the participant's eligibility determination/registration for the WIA program. Specifically, the ISS was developed and signed prior to the application date.

Similar issues were found in PY 2006-07 and PY 2007-08.

**Recommendation:** We recommended that LADCSS develop a CAP, including a timeline, to ensure that a participant's eligibility is determined prior to delivery of any intensive service, including the development of an ISS.

**LADCSS Response:** The LADCSS issued a directive, WIAD YD10-01, on February 10, 2010, about the development of the ISS. In addition, LADCSS provided documentation of training, that included the development of the ISS, to contractors at a quarterly meeting on April 1, 2010.

**State Conclusion:** The stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future on-site visit, LADCSS successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90219

In addition to the findings above, we identified conditions that may become compliance issues if not addressed. Specifically, we found that some LADCSS' youth providers are using the Comprehensive Adult Student Assessment System (CASAS) appraisal test for all steps of its youth literacy and numeracy testing process: appraisal, pre-test, and post test. The CASAS appraisal aids in the placement of learners into instructional programs and levels within those programs. Pre- and post-tests are designed to monitor progress within an instructional level. Therefore, appraisals are not appropriate for pre-testing, and post-testing and should not be used to measure learning gain. We suggested that LADCSS review its youth provider's literacy and numeracy testing processes to ensure that the CASAS assessment is conducted according to the testing procedures provided by the CASAS system. In addition, we strongly suggested that you contact your Regional Advisor for additional information and assistance.

In response to this concern, LADCSS issued a directive, YD10-02, regarding proper testing procedures for CASAS. In addition, LADCSS states they have taken the following actions:

- Contacted the CASAS organization to research the appropriate testing processes to document literacy and numeracy gains for youth
- Contacted the Regional Advisor to ensure all aspects of the potential compliance issue are addressed.

In addition, LADCSS states they will schedule Assessment Training with the EDD Capacity Building Unit for contractors. The LADCSS' response adequately addressed our concern at this time.

Additionally, we observed that one of LADCSS' subrecipient's reporting of JTA system activity codes does not appear to be uploading to the State JTA database. Specifically, 6 of 10 youth participant case files reviewed did not upload completion codes onto the JTA system, even though the subrecipient showed proof they had entered them onto their system. We suggested that LADCSS consult with their Regional Advisor and with JTA staff to resolve this concern. In its response, LADCSS stated there was not a problem uploading activity codes to the State JTA database. The LADCSS provided

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refresher training to subrecipients on entering completion codes at a contractor training on April 1, 2010. The LADCSS' response adequately addressed our concern.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than August 24, 2010. Please submit your response to the following address:

Compliance Monitoring Section  
Compliance Review Division  
722 Capitol Mall, MIC 22M  
P.O. Box 826880  
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is LADCSS' responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain LADCSS' responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please call Ms. Mechelle Hayes at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Office

cc: Linda Patton-Finch, MIC 50  
Jose Luis Marquez, MIC 50  
Daniel Patterson, MIC 45  
Georganne Pintar, MIC 50